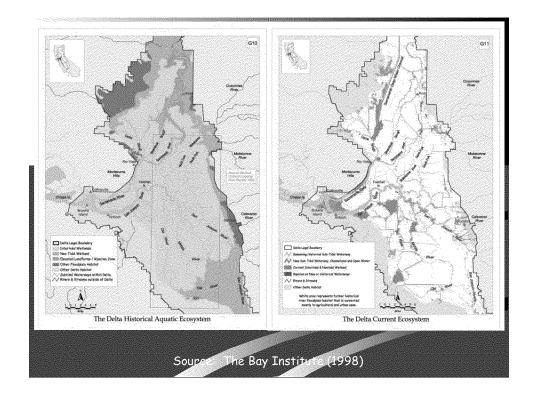
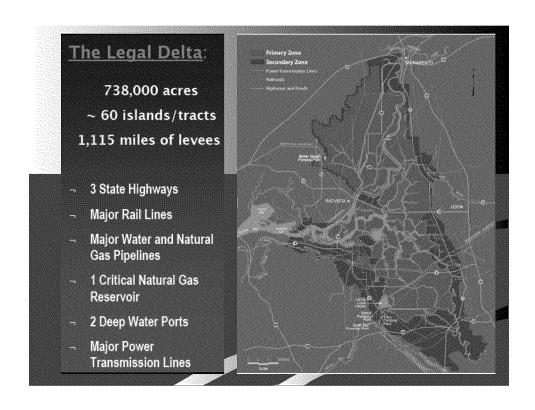


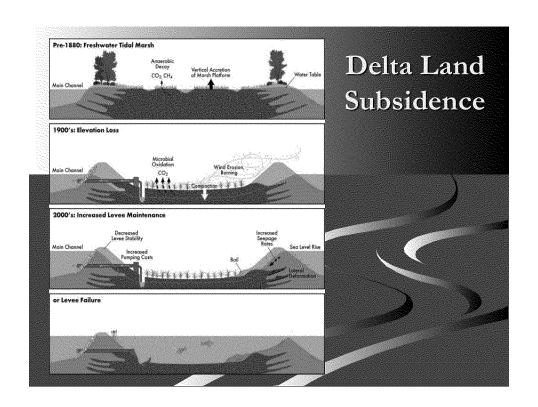
Importance of the Delta to California Water Supply •25 million Californians •3 million acres of agriculture •\$400 billion of annual economic activity In-Delta Land Use •558,000 acres in agricultural production • 64,000 acres of urban and commercial development Environment •Confluence of California's two largest watersheds (Sacramento River and San Joaquin River)

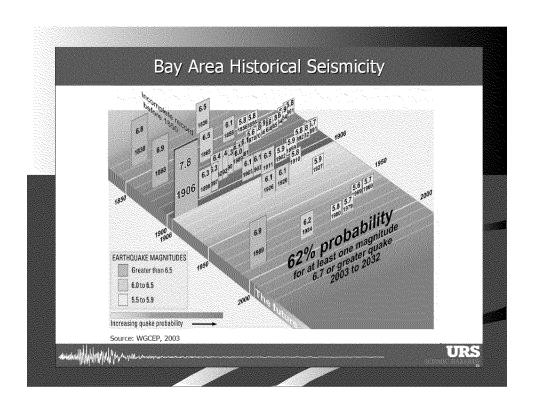
•More than 750 plant and animal species

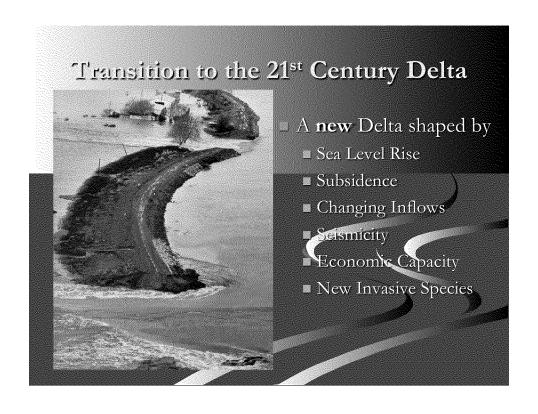
•More than 40 threatened or endangered species



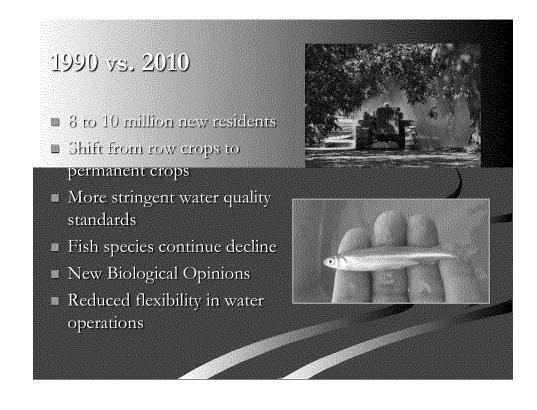








History of California Water Gold Rush 1849 CVP Authorized 1933 SWP Bond 1960 Peripheral Canal — 1982 ballot measure defeated CVPIA 1992 Bay Delta Accord 1995 CALFED ROD 2000 BDCP begun in 2006 Delta Vision 2007 State Delta Legislation 2009

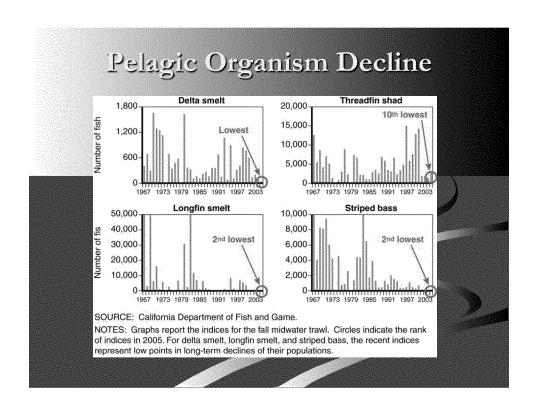


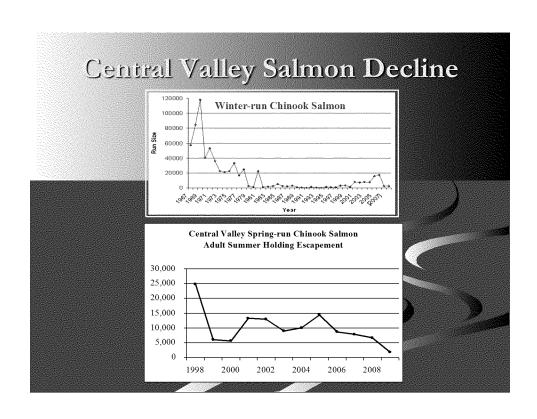
CALFED and BDCP

- The CALFED Bay Delta Program was developed by state and federal partners to address a broad range of actions.
- The BDCP is a Habitat Conservation Plan conducted under ESA and is primarily an applicant driven process.

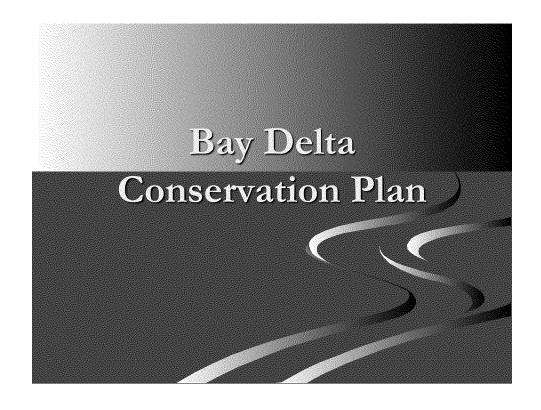
Species Challenges

- Pelagic Organism Decline
- Central Valley Salmon Decline





Consultation Cycle First BiOp for winter-run Chinook 1992 First delta smelt BiOp in 1995 CVP/SWP BiOps 2004/2005 Remanded by District Court 2007/2008 CVP/SWP BiOps 2008/2009 Continued Litigation



Importance to Long-term Solution

Comprehensive ecosystem approach provides best opportunities to recover fisheries and assure water supplies

Better separates water delivery system from the Delta estuary

Restores tens of thousands of acres of tidal marsh and flood plain habitat

Improves Delta flows through greater operational flexibility

Considers the many other stressors impacting fish populations – predation, invasive species, pesticides, toxins

Provides a framework to implement the plan over time

Bay Delta Conservation Plan

- Initiated in 2006
- Co-equal goals of more reliable water supply and restore Delta ecosystem
 - Habitat Conservation Plan
 - > Natural Community Conservation Plan
- Ongoing preparation of a joint EIR/ENS

BDCP Covered Activities

- Incidental take associated with near and long term water operations
- Construction of new facilities to allow for more environmentally benign long term water operations
- Implementation of mitigation and conservation actions

Parties and Roles

- Steering Committee
- Regulatory/Approving Agencies
- NEPA and CEQA Leads
- Cooperating Agencies
- Other Interests





Other Interests

- Delta Counties
- Levee Districts
- Conservation Districts
- In-Delta Water Districts
- Land Owners
- Fishing Interests

BDCP Goal - Issuance of Permits

- Endangered Species Act §10(a)(1)(B)
 - ☐ Issuance of a permit to non-federal entities for take of federally listed species, based on the development of an adequate HCP
 - Permits would be issued by both USFWS and NMFS
- California Natural Community Conservation Planning Act
 - Issuance of a permit to non-federal entities for take of state listed species, based on the development of an adequate Natural Community Conservation Plan (NCCP)
 - Permit would be issued by the California Department of Fish and Game (DFG)

BDCP - Non-Federal Entity Coverage under ESA

- Take Authorization Provided by §10 Permit
- No Prohibition on Issuance of a §10 Permit
 Notwithstanding the Existence of a Related Discretionary
 Federal Action
- Provides "No Surprises" Assurances to Permittee
 - No obligation for additional resources in event of changed or unforeseen circumstances without consequent permittee
- Permit may be suspended or revoked if continued actions under the permit would jeopardize listed species

BDCP - Federal Agency Coverage under ESA

- Consultation Under §7(a)(2) of the ESA
 - Results in Issuance of a Biological Opinion (BiOp) with Incidental Take Statement (ITS)
 - Federal Agencies Do Not Receive "No Surprises"
 Assurances
- Most or All Covered Activities Have Associated Discretionary Federal Action, Independent of HCP and §10 permit

BDCP Discretionary Federal Actions

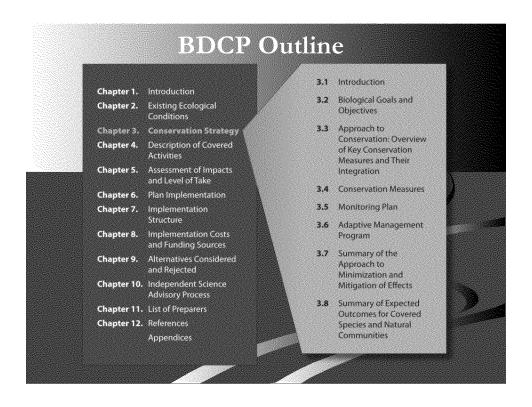
- USBR long term operation and maintenance of the Central Valley Project
- USFWS and NMFS must engage in intra-service §7 consultation for §10 permit
- USACE for permits under River and Harbor Act §§10 and 14 and CWA §404
- USEPA, potentially, for ratification of any changes in the Water Quality Control Plan for the Bay-Delta that the State Water Resources Control Board may make in response to the BDCP
- **FEMA**, potentially for changes in 100-year flood plain associated with new conveyance facility

BDCP - Other HCP/NCCP Considerations

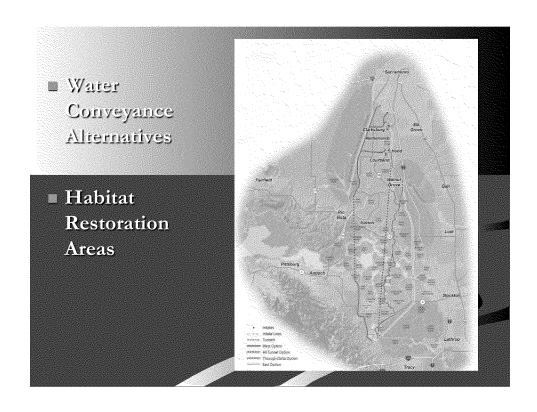
- Near Term CVP/SWP Operations
 - Resolution of description complicated by ongoing litigation
- Long Term CVP/SWP Operations

Resolution complicated by:

- Lack of decision on applicant preferred form of conveyance
- New state statutory requirement to evaluate reduced reliance on the Delta
- Fifty Year Permit Term
 - Challenges related to Changed Circumstances and Unforeseen Circumstances
 - Challenges related to developing defensible biological opinion
 - Robust Engagement in Adaptive Management Program and compliance monitoring by Services









Process for Completing – Timeline

- Draft BDCP in November 2010
- Public Draft EIS/EIR in 2011
- Biological Assessment / Biological Opinions in 2012
- ROD, Permit Issuance in 2012
- Begin Implementation in 2012
- Complete Conveyance in 2020 (est.)

2009 State Legislation Delta Stewardship Council Early actions Delta Plan (to consider BDCP) Delta Conservancy Identified federal role Requirements for BDCP State Bond Initiative in November 2010

2010 Water Bond: \$11.4B Drought Relief - \$455M Water Supply Reliability (12 regions)- \$1.4B Delta Sustainability - \$2.2B Water System Improvement (Storage) - \$3.0B Conservation and Watershed Protection - \$1.79B Groundwater Management - \$1.0 B Recycling and Conservation -\$1.25B



Near-term Water Operations

- Near Term Period from issuance of permits to operation of the conveyance facility.
- - (1) Include in the BDCP (Section 7 and 10)
 - (2) Address through Section 7 only
- Current requirements of the existing BiOps would continue unless new actions or new science provides a basis for modifying.

Role of the Federal Government

- Governance Structure
 - Program Implementation
 - ☐ Flabitat Restoration
 - Water Operations
 - ■Inter-agency Annual Review
 - Real-time Operations
- Funding Structure
- Implementing Authorities of Federal Agencies (USACE, FWS, NMFS, Reclamation)
- Conveyance Ownership vs. Wheeling Agreement

Managing Expectations Action-based/Outcome-based Strategy Adaptive Management and Monitoring Changed Circumstances, Unforeseen Circumstances Section 10 Assurances Approach to Other Stressors



